

# Q U I D J U R I S ?

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### COMPANY LAW :

Law n° 20 – 05 modifies and completes law n° 17 – 95 related to Public Limited Companies and was published in the *journada II* 15th, 1429 (June 19th, 2008) *Bulletin Officiel*. Its statements get closer to French company law.

One of this law's major new statements is article 67. It provides for the Board of directors the possibility to separate the positions of Chief executive and Chairman of the Board of directors.

This evolution is known in French law since a 2006 reform. French Doctrine thought that the concentration of powers in the hands of the Chairman of the Board of directors wasn't beneficial to the Company.

Among the other modifications, some have to be noticed.

New article 17 cancels formal publicity in a legal announces paper, which had to be done before the registering. As a consequence, costs decrease and setting up a company becomes simpler.

New articles 50, 110 and 111 respectively provide for, concerning the Board's meetings, the general extraordinary and ordinary meetings, the possibility to vote by Visio conference. This has to be provided for in the bylaws and aims at neutralizing the shareholders' passivity.

Besides, the new law enlarges, within monist and dualist Public Limited Companies, the scope of action of regulated and prohibited conventions. Indeed, a shareholder, who directly or indirectly holds more than 5% of the registered capital or of the voting rights, is now subject to the authorization procedure in case he/she wants to sign such a convention.

Before this law, article 122 provided for the necessity of a formal publicity in the *Bulletin Officiel* to announce the general meetings. This isn't necessary anymore.

Finally, several times, it can be noticed that fine amounts are divided by two (for example, article 385 which condemns the fact for an administrator not to have the Board's deliberations registered by minutes). Imprisonment penalties provided by articles 408 and 420 are now cancelled.

This law is set up in the frame of business law decriminalization.

To conclude, it can be noticed that, despite its metamorphoses (creation of the Public Limited company with a "directoire" and a "conseil de surveillance", separation of the positions of Chairman of Board of directors and Chief executive), the Public Limited Company generally stays hard to manage. So it may be noticed in a few years in Morocco, as well as in France now, an increasing number of "sociétés par actions simplifiées".

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